Lenovo
Device as a Service

A complete IT hardware, software, and services solution in a regular monthly fee



Device as a Service & the move to the consumption model

CONSUMPTION MODELS

Customer behavior is changing. They want to pay for exactly what they want, when they want it, and eliminate unnecessary waste.

They want to be dealt with as an individual, not as a segment. They no longer want mass market products but complete customization to fit their specific needs. As customers demand customization, new business models have arisen to accommodate them, and the consumption model will naturally continue to spread into nontraditional industries.

Subscription-based selling is nothing new. Companies like magazine publishers have been offering their goods and services for a monthly fee for years. However, more recently, a large number of industries have begun to pivot away from traditional go-to-market approaches to better meet customers' expectations.

Companies like Microsoft, Amazon Prime, and Spotify offer subscription-based services for products and services that have been around for decades. The PC and Smart Device industry is no different. It is yet another industry that recognizes the need for customization and has introduced an innovative way to meet the demands of its business customers.

Companies like:

- Microsoft
- Netflix
- Amazon Prime
- Uber
- Airbnb

...now offer subscription-based services for products and services that have been around for decades.



WHAT IS DEVICE AS A SERVICE?

For organizations large and small, refreshing a fleet of personal computing devices every 3-4 years can involve substantial costs, especially when considering peripheral expenditures for procurement, deployment, training, support, recovery, and asset management.

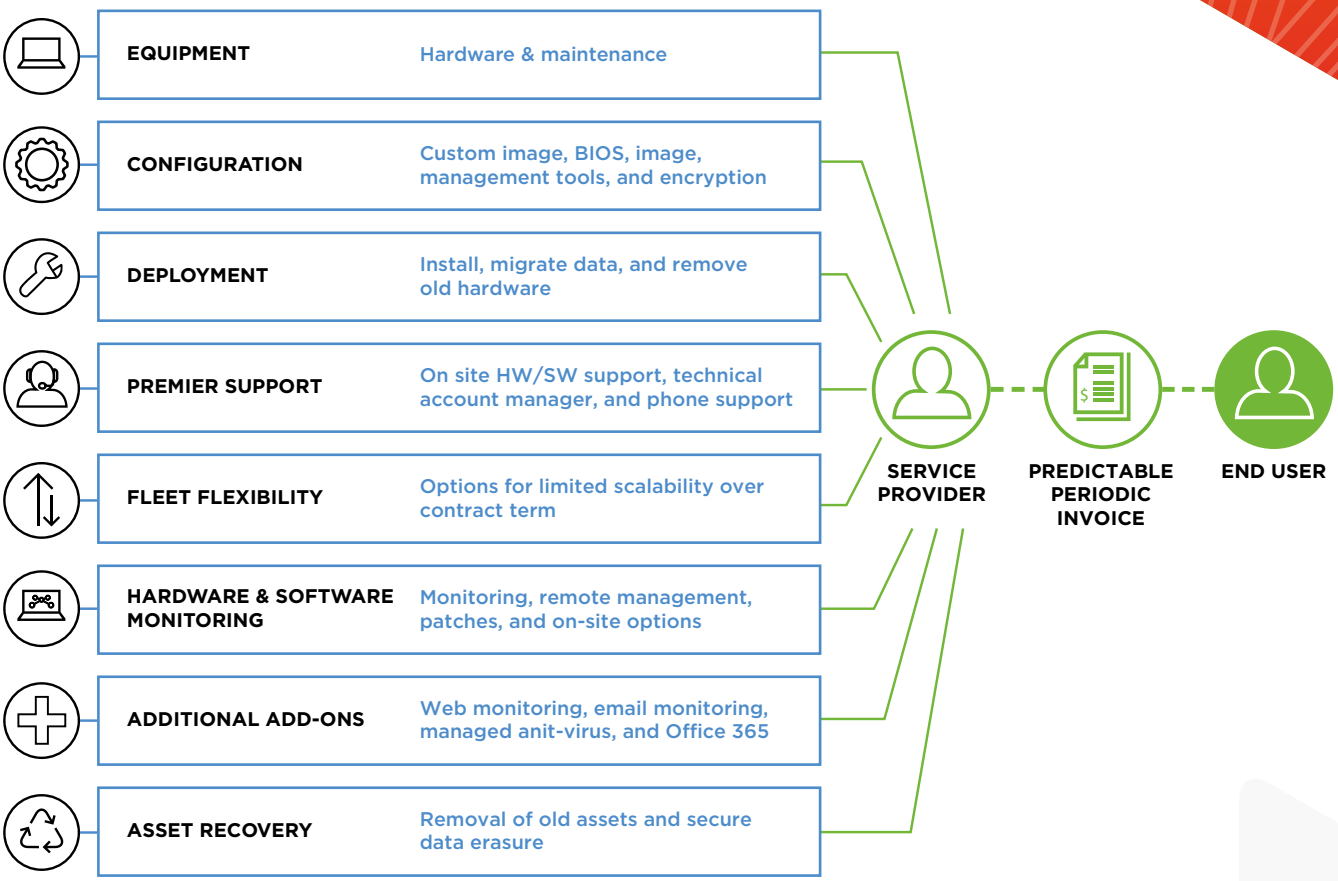
Device as a Service (DaaS) helps organizations mitigate these costs by taking a typical hardware device (such as a laptop, desktop, tablet, or mobile phone), bundling it with a variety of software and services, and offering it to a customer for a predictable periodic fee. It gives customers one contract and just one provider to hold accountable.

And unlike hardware leasing, organizations get a holistic solution that allows for broad flexibility to scale the hardware over time. Customers are also given the ability to leave the challenges of lifecycle management to the DaaS provider, allowing the organization to stay focused on its core business.

A RECENT IDC SURVEY FOUND THAT

40.2%

OF RESPONDENTS HAVE ENGAGED OR ARE PLANNING TO ENGAGE IN DAAS IN THE NEXT 12 MONTHS TO ADDRESS THEIR IT NEEDS.





Lenovo DaaS

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The business benefits of DaaS

CASH FLOW MANAGEMENT

For organizations struggling to remain competitive in their industry, conducting business in the post-financial crisis world often means a higher cost of capital and deeper constraints on liquidity.

Typically, organizations are required to incur huge, upfront capital expenditures when refreshing their devices. Many organizations today simply do not have additional capital to spend on non-revenue driving activities which forces them to delay device updates at the cost of productivity. The DaaS model allows organizations to shift large IT budget allocations to more manageable cash flows over a planned period of time. It also presents a lower total cost of ownership (TCO) figure to decision makers and allows them to make more strategic decisions regarding the organization's future investments.

FLEXIBILITY

DaaS provides options for an organization to quickly scale up or down based on the current operating environment and business need.

Whether growing or downsizing, organizations can pay for exactly what they need, when they need it. Organizations will no longer be stuck with obsolete hardware, especially as technological innovation continues to outpace the average life span of devices. This means avoiding accelerated depreciation schedules and financial losses related to poor liquidation values at the end of a device's life.

ENHANCED PRODUCTIVITY

Industry experts agree that a three-year refresh cycle is the optimal length of time for computing hardware.

This allows the company to avoid unnecessary costs related to energy efficiency, security and most of all, workforce productivity. According to research conducted by Intel Corporation, small business workers lose more than one work week per year due to antiquated PCs, not to mention the morale-killing effects and employee frustration that come with using outdated technology.

Additionally, those same businesses are spending 30% more to repair PCs that are four years or older compared to newer PCs. In many cases, repair costs for older personal computers can exceed the purchase price of new PCs. With Lenovo DaaS, the organization always has access to the latest technology and avoids costly repairs and productivity delays from aged devices.



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MOBILITY

Work styles and environments are changing. Corporate cultures are rapidly shifting from a sedentary, fixed-schedule structure to a “work anywhere, anytime, with any device” mantra.

Following this trend, software companies have begun to shift from products made for laptop/desktop PCs to fully functioning mobile apps that allow users to be mobile as they work. DaaS providers are also following these trends and are bundling a variety of software and services designed to enhance a user’s mobile experience and reduce the costs to an organization interested in providing such an environment to its workforce.

IT BENEFITS

IT support is often one of an organization's largest annual expenses.

Whether it is configuration and deployment or IT helpdesk services for its employees, IT expenses often amount to a significant portion of an organization’s operating budget. DaaS and the bundled software and services it offers with hardware, allow an organization to strategically outsource costly individual IT requirements or completely rid itself of the entire PC support lifecycle, reducing the burden on internal teams and more importantly, on the organization’s profitability.

Additionally, invaluable tracking and reporting dashboards that provide details on asset tracking, usage, software installation, and outages can be added as a part of the service.

DaaS is the future

The world of PC-buying is changing, and the Device as a Service model is the future.

As business models change and product offerings become more customized, decision makers are recognizing how DaaS will benefit their organizations. They are finding that this type of monthly consumption model offers the cost-savings and flexibility they haven’t been able to find with traditional PC purchasing models.

Organizations no longer need to compromise on productivity because operating budgets deprioritize IT investment. They can now run their businesses at optimal levels with the confidence that their limited investment dollars are being efficiently allocated.

Contact a Lenovo sales representative

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About the Author: Chris Annison is Director of WW DaaS Strategy and Operations at Lenovo | All products and offers are subject to availability. Lenovo reserves the right to alter product offerings and specifications at any time, without notice. Lenovo makes every effort to ensure accuracy of all information but is not liable or responsible for any editorial, photographic or typographic errors. All images are for illustration purposes only. For full Lenovo product, service and warranty specifications visit www.lenovo.com. The following are trademarks or registered trademarks of Lenovo: Lenovo, the Lenovo logo, the Lenovo DaaS logo, ThinkPad and ThinkPlus. Other company, product and service name may be trademarks or service marks of others. ©2019 Lenovo. All rights reserved. WWServices_LenovoDaaSWhitePaper_111419_ExtSales_MM